

# County of Los Angeles CHIEF EXECUTIVE OFFICE

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September 3, 2014

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To: Supervisor Don Knabe, Chairman

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Supervisor Mark Ridley-Thomas Supervisor Zev Yaroslavsky Supervisor Michael D. Antonovich

From: William T Fujioka

Chief Executive Officer

#### **SACRAMENTO UPDATE**

## **Executive Summary**

On August 30, 2014, one day prior to the official deadline to pass legislation, the Legislature completed action on remaining bills and adjourned in the final recess of the 2013-14 Legislative Session. All bills passed by the Legislature are now on the Governor's desk who has until September 30, 2014 to sign or veto these measures.

This memorandum contains a report on final actions taken by the Legislature before adjourning, including:

## Status of County-Advocacy Legislation

- County-supported AB 13 (Conway) related to eligibility to in-State tuition for qualified, recently discharged veterans, passed the Assembly Floor on August 29, 2014, and now proceeds to the Governor.
- County-opposed AB 1175 (Bocanegra) related to agricultural inspector services, was granted reconsideration and passed the Assembly Floor on August 29, 2014, and now proceeds to the Governor.
- County-supported AB 1450 (Garcia) related to voter-approved property tax increments to support pension programs, passed the Assembly Floor on August 29, 2014, and now proceeds to the Governor.

- County-opposed AB 1522 (Gonzalez) related to paid sick days, passed the Assembly Floor on August 29, 2014, and now proceeds to the Governor.
- County-supported AB 1614 (Stone) related to the CalWORKs Program Electronic Benefits Transfer system, passed the Assembly Floor on August 27, 2014, and now proceeds to the Governor.
- County-supported AB 1839 (Gatto and Bocanegra) related to motion picture and television production tax credits, passed the Assembly Floor on August 29, 2014, and now proceeds to the Governor.
- County-supported AB 2374 (Mansoor) related to the death investigations for residents of licensed alcoholism or drug abuse treatment facilities, passed the Assembly Floor on August 28, 2014, and now proceeds to the Governor.
- County-opposed AB 2493 (Bloom) related to authorizing the use of bonds issued in 2011 by former redevelopment agencies, passed the Assembly Floor on August 28, 2014, and now proceeds to the Governor.
- County-supported SB 53 (De León) related to ammunition purchase permits, failed passage on the Assembly Floor on August 29, 2014, and will not proceed this year.
- County-support-and-amend SB 270 (Padilla) related to the phase out of single-use plastic bags, passed the Senate Floor on August 29, 2014, and now proceeds to the Governor.
- County-opposed SB 556 (Padilla) related to the display of government agency logos on contractor uniforms, vehicles, and badges, passed the Senate Floor on August 29, 2014, and now proceeds to the Governor.
- County-oppose-unless-amended SB 1129 (Steinberg) related to changes in the law governing the dissolution of redevelopment agencies, passed the Senate Floor on August 29, 2014, and now proceeds to the Governor.
- County-supported SB 1138 (Padilla) related to labeling of fresh, frozen, or processed fish or shellfish, passed the Senate Floor on August 29, 2014, and now proceeds to the Governor.

> County-supported SB 1376 (Gaines) - related to contracting with public or private correctional facilities for jail space, was not taken up by the Legislature prior to adjournment of the legislative session and will not proceed this year.

## Final Actions by the Legislature

Before adjourning, the Legislature took action on a number of important bills including several County-advocacy measures described below.

## **County-Advocacy Legislation**

County-supported AB 13 (Conway), which as amended on August 29, 2014, is an urgency measure and would allow recently discharged members of the armed services who were stationed in California for more than one year prior to discharge, and their eligible dependents, to qualify for in-State tuition rates at any California Community College, California State University, or University of California, passed the Assembly Floor, with concurrence of Senate amendments, by a vote of 78 to 0, on August 29, 2014. This measure now proceeds to the Governor.

County-opposed AB 1175 (Bocanegra), which as amended on August 18, 2014, would prohibit the California Department of Food and Agriculture from entering into cooperative agreements with Los Angeles County for agricultural inspection services unless not less than 75 percent of agricultural inspector associates are granted permanent County civil service status. This measure, which failed to pass the Assembly Agriculture Committee on August 27, 2014, was granted reconsideration, and passed the Committee on August 29, 2014. AB 1175 passed the Assembly Floor, with concurrence of Senate amendments, by a vote of 54 to 23 on August 29, 2014, and now proceeds to the Governor.

County-supported AB 1450 (Garcia), which as amended on August 27, 2014, would authorize: 1) a city or county that levies a voter-approved property tax rate to make payments in support of pension programs to request that an oversight board to prohibit these revenues from being deposited into a Redevelopment Property Tax Trust Fund (RPTTF); and 2) an oversight board to deny a city or county's request to prohibit these revenues from being deposited into an RPTTF if there is "substantial evidence" that a

former redevelopment agency spent, pledged, or otherwise used these revenues to fund enforceable obligations, passed the Assembly Floor, with concurrence of Senate amendments, by a vote of 76 to 0 on August 29, 2014. This measure now proceeds to the Governor.

County-opposed AB 1522 (Gonzalez), which would require employers, beginning July 1, 2015, to provide paid sick days to employees who work 30 or more days in a calendar year, was amended on August 29, 2014. As amended, AB 1522 would exempt employees under the In-Home Supportive Services (IHSS) Program; employees in the construction industry covered by a collective bargaining agreement that expressly waives paid sick leave benefits; and an employee covered by a collective bargaining agreement that provides for paid sick days or similar policy, among other provisions.

The Chief Executive Office (CEO) Benefits and Compensation Section notes that as currently amended, AB 1522, would exempt employees in the construction industry covered by a collective bargaining agreement which expressly waives the employer from the requirement to provide paid sick days. However, this measure makes no similar concession for public employees, usually part-time staff, for whom similar terms have been collectively bargained. CEO Benefits and Compensation estimates that AB 1522 would affect a total of 2,631 County employees whose collective bargaining agreements expressly waive paid sick time. According to the Benefit and Compensation Section, this would create a conflict between the proposed statutes and the collectively bargained agreements currently in place. This would result in an estimated County cost of \$1.8 million annually to provide these employees paid sick leave benefits. These costs would be exclusive of that required to significantly restructure the County's benefits system. Finally, AB 1522 diminishes the ability to locally determine the most appropriate benefits for its large and diverse employee population. County Counsel agrees with CEO Benefits and Compensation's concerns. Therefore, unless otherwise directed by the Board, the Sacramento advocates will continue to oppose AB 1522.

AB 1522 passed the Assembly Floor, with concurrence of Senate amendments, by a vote of 52 to 25 on August 29, 2014, and now proceeds to the Governor.

County-supported AB 1614 (Stone), which as amended on August 22, 2014, would require counties to inform recipients of the CalWORKs Program of various information provided by the California Department of Social Services, including the methods of electronic delivery of benefits available and the applicable charges, fees, or surcharges

associated with the Electronic Benefits Transfer system, and how to withdraw benefits without incurring these, among other provisions, passed the Assembly Floor, with concurrence of Senate amendments, by a vote of 78 to 0 on August 27, 2014. This measure now proceeds to the Governor.

County-supported AB 1839 (Gatto and Bocanegra), which as amended on August 27, 2014, would extend qualified motion picture tax credits through June 30, 2020, and increase the amount of tax credits for a qualified motion picture to the applicable percentage of qualified expenditures up to \$100.0 million, among other provisions, passed the Assembly Floor, with concurrence of Senate amendments, by a vote of 72 to 0 on August 29, 2014. This measure now proceeds to the Governor.

County-supported AB 2374 (Mansoor), which as amended on August 22, 2014, would: 1) require the California Department of Health Care Services (DHCS) to design its death investigation policy to ensure that the death of a resident of a licensed alcoholism or drug abuse recovery and treatment facility is addressed and investigated by DHCS in a timely manner; 2) specify the content of required telephonic and written reports of resident deaths occurring in a licensed facility; and 3) prohibit DHCS from approving a certifying organization that does not, prior to registering or certifying an individual, contact other department-approved certifying organizations to determine whether the individual has ever had his or her registration or certification revoked, among other provisions, passed the Assembly Floor, with concurrence of Senate amendments, by a vote of 71 to 0 on August 28, 2014. This measure now proceeds to the Governor.

County-opposed AB 2493 (Bloom), which as amended on August 22, 2014, would: 1) authorize a redevelopment successor agency or housing successor entity to designate the use of, and commit, proceeds from indebtedness that was issued for affordable housing or redevelopment purposes prior to June 28, 2011; and 2) require the proceeds from bonds issued between January 1, 2011 and June 28, 2011, be used for projects meeting certain criteria established in this bill, to be funded by successor agencies generally, from proceeds of bonds issued during the same period, passed the Assembly Floor, with concurrence of Senate amendments, by a vote of 52 to 23 on August 28, 2014. This measure now proceeds to the Governor.

County-supported SB 53 (De León), which as amended on August 22, 2014, would require: 1) beginning January 1, 2016, all ammunition vendors to be licensed by the Department of Justice (DOJ); 2) the sale of ammunition to be conducted at the premise of the licensed vendor; 3) ammunition vendors to submit records of sales to the DOJ, among other provisions, failed passage on the Assembly Floor by a vote of 35 to 35 on August 29, 2014. This measure will not proceed this year.

County-support-and-amend SB 270 (Padilla), which as amended on August 21, 2014, would: 1) phase out single-use plastic bags in California grocery stores, convenience stores, liquor stores, and pharmacies by prohibiting them from providing a single-use carryout bag to a customer; 2) prohibit these stores from selling or distributing a recycled paper bag at the point-of-sale unless the store makes that bag available for purchase for not less than ten cents (\$0.10); 3) allow a city, county, or other local public agency that has adopted an ordinance, resolution, regulation, or rule relating to reusable grocery bags, single-use carryout bags, or recycled paper bags before September 1, 2014 to continue to enforce and implement that ordinance; and 4) include reusable plastic bag standards that are comparable to the County's standards, among other provisions, passed the Senate Floor, with concurrence of Assembly amendments, by a vote of 22 to 15 on August 29, 2014. This measure now proceeds to the Governor.

County-opposed SB 556 (Padilla), which as amended on August 21, 2014, would: 1) prohibit private entities contracting with a local government agency to provide public health and public safety services from displaying the agency's logo on their uniforms or vehicles, unless the vehicle or uniform conspicuously displays a disclosure to identify them as a contracted service provider; and 2) prohibit a public agency from requiring contract employees to wear a badge containing the agency's logo, passed the Senate Floor, with concurrence of Assembly amendments, by a vote of 24 to 11 on August 29, 2014. This measure now proceeds to the Governor.

County-oppose-unless-amended SB 1129 (Steinberg), which as amended on August 22, 2014, would: 1) authorize a successor agency, if it has received a Finding of Completion from the Department of Finance (DOF), to enter into or amend existing contracts and agreements, or otherwise administer projects in connection with enforceable obligations, if the contract, agreement, or projects will not commit new property tax funds or otherwise adversely affect the flow of tax revenues or payments to the taxing agencies; 2) include within the definition of "enforceable obligation" an agreement entered into between the redevelopment agency prior to June 30, 2011, if the agreement relates to State highway infrastructure improvements to which the redevelopment agency committed funds; 3) authorize a successor agency to use proceeds from bonds issued during the 2011 calendar year, upon approval of the oversight board, if the use of those bond proceeds is consistent with the sustainable communities strategy adopted by the Metropolitan Planning Organization (MPO); 4) specify that a compensation agreement between taxing entities is not required for the disposition of properties pursuant to a long-range property management plan (LRPMP) and prohibit DOF from requiring compensation agreements as part of the approval of a LRPMP: 5) specify that DOF shall only consider whether the LRPMP makes a good faith effort to inventory all the properties and also addresses the use or disposition of all

the properties; and 6) delete the requirement that DOF approve a LRPMP by January 1, 2015, and instead, require DOF to approve the LRPMPs as expeditiously as possible, among other provisions, passed the Senate Floor, with concurrence of Assembly amendments, by a vote of 28 to 8 on August 29, 2014. This measure now proceeds to the Governor.

County-supported SB 1138 (Padilla), which as amended on August 28, 2014, would: 1) provide that it is unlawful to sell or offer for sale any fresh, frozen, or processed fish or shellfish, wild caught or farm raised, without clearly identifying specified information, including the species of fish or shellfish by its common name, as specified; 2) prohibit any person who sells or offers for sale any fish or shellfish and acts in reasonable reliance on the fish or shellfish package labeling and product invoice to satisfy the above-described requirements from being found in violation of those requirements; and 3) specify that these provisions would not apply to a restaurant, passed the Senate Floor, with concurrence of Assembly amendments, by a vote of 25 to 10 on August 29, 2014. This measure now proceeds to the Governor.

**County-supported SB 1376 (Gaines),** which as amended on August 21, 2014, would allow counties to contract with any public or private correctional facilities system in the United States to house inmates sentenced to county jail, was held on the Senate Floor, and will not proceed this year.

We will continue to keep you advised.

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c: All Department Heads Legislative Strategist